

**Recommendations to improve the integrity of forestry projects in
the Department of Energy's 1605(b) Voluntary Greenhouse Gas
Reporting Program
Submitted by
The Pacific Forest Trust**

The Pacific Forest Trust (PFT) appreciates the opportunity to provide suggestions to the United States Department of Agriculture and Department of Energy concerning ways to improve the credibility and accuracy of the Department of Energy's 1605b Voluntary Greenhouse Gas Reporting Program, for forestry projects in particular. PFT provided the original forest management case scenarios for this Program and has significant expertise and success regarding private forestland policy and the practical application of forest carbon projects in the United States. We support the intent of the 1605b Program and in the following paragraphs, provide suggestions for forestry activities that would improve the integrity of the Program, given the Administration's current goals to maximize climate benefits through voluntary action.

PFT's recommendations are as follows:

Additionality/baselines:

In order to produce credible (and ultimately creditable) forest-based carbon dioxide emissions reductions in the atmosphere, the registry should require projects to exceed business as usual forestry practices. In other words, projects should demonstrate that they are "additional." PFT's recommended measure for this additionality, which is also reflected in California's Climate Action Registry, is measurable carbon stocks that result from forestland management practices that exceed what is required by applicable land use laws/regulations. Thus, the baseline or basis from which to measure additional carbon stocks should be applicable local, state and federal land use laws/regulations.

In practice, this means that a determination that a proposed project meets, at a minimum, applicable laws and regulations must be made. Once this is established, an inventory should be administered to determine the project's on-site carbon stocks. These calculations can then be used to establish the present carbon baseline and to project, through the use of carbon models, the baseline over time pursuant to the applicable laws/regulations. Once the projected baseline is established, the additional forest carbon to be gained over time can also be projected through modeling.

In addition to the use of models for estimating carbon stocks (i.e. climate benefits), permanent monitoring plots should also be required for forestry projects. Such plots will help ground-truth and verify the modeling projections of carbon stocks. The number of monitoring plots that should be established in a project area will vary depending on the size and variability of the project area (with more plots needed for areas with more variability). Depending on how actively the forestland is managed (if at all), projects should be re-inventoried every 10 years and plots should be monitored regularly. Furthermore, annual reporting should be required to document actual carbon stocks and stock changes.

Permanence:

To achieve long-term reductions of carbon dioxide in the atmosphere and/or prevent carbon dioxide emissions from forest loss, net gains in forest carbon stocks (or average carbon stocks) should remain stored permanently. Subsequent changes in land ownership and management and conversion to development or other uses can serve as risks to permanence. Therefore, PFT employs and recommends the use of a perpetual conservation easement that, at a minimum, dedicates the project area land to permanent forest use. The terms of the easement can also ensure the management that creates additional carbon stocks. Also, conservation easements, in conjunction with the additionality requirement, will achieve multiple conservation benefits (and therefore multiple policy goals) - such as better water quality, improved endangered species habitat and greater biodiversity.

The conservation easement may also be a way, from a policy perspective, to address the subsidy/additionality issue that arises in established conservation programs like CRP and EQIP. These subsidy programs are finite and therefore do not create a permanent conservation or climate benefit. By committing to the standards of these programs permanently, through the use of a perpetual conservation easement, a landowner would be doing something additional and the public would be receiving an additional climate benefit (i.e. a permanent climate and conservation benefit).

Another way to facilitate permanence, which should be required in any event, is permanent registration. In other words, once a project/entity is registered in the Program, it stays registered and reports annually on carbon stock gains/losses. If the entity/project leaves the Program for a term or permanently, then the credibility of the project is lost, since the public (or any future buyer) has no way of knowing what has happened to the project's carbon stocks. Therefore, the Program should establish a policy of only endorsing those projects/entities that remain in the Program and report annually. If the entity

leaves the Program, there should be no guarantee that such projects will receive credit down the road.

Project level vs. entity-wide reporting/Leakage:

PFT supports entity-wide and project-level reporting. To minimize leakage for project-level reporting, there should also be a requirement that overall net emissions of the entity's forestland (in which the project is based) are also reported so that potential internal leakage can be tracked and discouraged. Such a requirement will significantly enhance the credibility of the emissions reductions claimed by the project.

Environmental co-benefits:

There are numerous environmental co-benefits, and by extension, policy goals, that can be achieved by forest projects, if they are designed with the right rules, as described above. Among these benefits are enhanced water quality, greater biodiversity, sustainable timber supplies, and improved habitat for a variety of endangered and threatened species. With approximately, one million acres of private U.S. forestland being lost each year to nonforest uses, there is a demonstrated need to foster incentives to preserve these forests and attendant values (climate and otherwise).

Wood products:

The wood product pool is a transfer of carbon from one carbon pool (live carbon) to another (dead carbon). Consequently, double counting can be an issue. Furthermore, it should be noted that, upon harvest, only about 1/3 of the carbon from a forest transfers to wood products (with much of the rest emitted to the atmosphere over time - through decay and site preparation). Eventually, wood products do decay - though at varying rates (the national average is 2%/year). They are, therefore, not permanent and decay must be accounted for. Such a process is very labor intensive. The greatest and more immediate conservation benefits - both for the climate and on the ground - are in the on-site carbon (i.e. the standing forest). Consequently, PFT recommends that federal policy remain focused on this area.

Conclusion:

The USDA and DOE have an opportunity in the 1605b reporting program to lay the foundation for credible forestry projects that achieve significant climate benefits, as well as multiple conservation goals. As a reference, the federal 1605b Program may use the California Climate Action Registry's forest carbon

accounting framework. California's Registry embodies the principles mentioned above, as it requires forestry activities to be additional (i.e. exceed applicable land use laws and regulations). It also requires permanence through the use of conservation easements. Furthermore, forest projects must be comprised of native species and if the forestlands are managed, they must have multiple ages and mixed native species. The framework fosters climate benefits through the protection and restoration of native forests, while ensuring that native ecosystems are not converted to non-native ones for the sake of generating carbon gains.

PFT commends the DOE and USDA for investing the effort to improve the 1605b Program and will assist in any way possible.